10998

TREATIES AND OTHER INTERNATIONAL ACTS SERIES 10998

FINANCE

Consolidation and Rescheduling of Certain Debts

Agreement Between the
UNITED STATES OF AMERICA
and MADAGASCAR

Signed at Washington September 28, 1984

S9.10:

READEX FICHE Best copy available

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89–497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . . the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

MADAGASCAR

Finance: Consolidation and Rescheduling of Certain Debts

Agreement signed at Washington September 28, 1984;
Entered into force November 19, 1984.

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA
AND THE DEMOCRATIC REPUBLIC OF MADAGASCAR
REGARDING THE CONSOLIDATION AND RESCHEDULING OF
CERTAIN DEBTS OWED TO, GUARANTEED BY OR INSURED
BY THE UNITED STATES GOVERNMENT

The United States of America (the "United States") and the DEMOCRATIC REPUBLIC OF MADAGASCAR ("Madagascar") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the Consolidation of Madagascar's Debts, signed at Paris on March 23, 1984, by representatives of certain nations, including the United States, and agreed to by the representative of Madagascar, hereinafter referred to as the "Minute", the United States and Madagascar agree to consolidate and reschedule certain Malagasy payments with respect to debts which are owed to, guaranteed by or insured by the United States Government as provided for in this Agreement.

2. This Agreement shall be implemented by separate agreements (the "Implementing Agreements"), between Madagascar and each of the following agencies: the Agency for International Development and the Export-Import Bank of the United States. The rescheduling of

payments with respect to the credit guaranteed by the Export-Import Bank relating to the purchase by Madagascar of a 747 Boeing aircraft will be implemented by separate agreement, using similar terms to that of the Minute.

ARTICLE II

Definitions

1. "Contracts" means those agreements or other financial arrangements which have United States dollar-denominated maturities falling due during the Consolidation Period under

   (a) Commercial credits insured by the United States or its Agencies which creditors had original maturities of more than one year and which were extended pursuant to an agreement concluded before July 1, 1983, or

   (b) Loans from the Agency for International Development which had original maturities of more than one year and which were extended pursuant to an agreement concluded before July 1, 1983.

(c) Contracts do not include the credit guaranteed by the Export-Import Bank relating to the purchase by Madagascar of a Boeing 747 aircraft.

2. "Debt" means the sum of unpaid principal, interest and fees with respect to the Contracts due as of June 30, 1983, or falling due during the Consolidation Period. It is understood that, for Debt which is guaranteed or insured by a United States Government Agency, this Agreement will apply only to that portion of such payments of principal and interest which is covered by an assurance agreement or payments guarantee with such agency.

3. "Consolidated Debt" means 95 percent of the amount of Debt. "Non-consolidated Debt" means the remaining 5 percent of the Debt.

4. "Consolidation Period" means the period from July 1, 1983 through December 31, 1984, inclusive.

5. "Interest" means interest accruing on or after July 1, 1983, on Consolidated and Non-consolidated Debt. Interest is payable in accordance with the terms of this Agreement and on any due and unpaid installments of Interest accruing thereon. Interest shall begin to accrue at the rates set forth in this Agreement on the

relevant due dates for Consolidated and Non-consolidated Debt and shall continue to accrue on the outstanding balance thereof, until such outstanding balances are repaid in full.

6. "Agencies" means the Agency for International Development and the United States Export-Import Bank.

ARTICLE III

Terms and Conditions of Payment

1. Madagascar agrees to repay the Consolidated Debt in United States dollars in accordance with the following terms and conditions:

(a) The Consolidated Debt, which amounts to approximately $947,492, shall be repaid in 12 equal and consecutive semi-annual installments of approximately $78,958 each, payable on March 31 and September 30, commencing on September 30, 1989, and ending on March 31, 1995.

(b) The rate of Interest on Consolidated Debt shall be as follows for the following agencies:

(i) 3.0 percent for the Agency for International Development.

(ii) For the Export-Import Bank of the United States the rate of Interest on Consolidated Debt shall be Eximbank's cost of new medium term borrowing plus one half of one percent. For Interest accruing during the period January 1, 1984, to June 30, 1984, the annual rate shall be 11.986 percent. For Interest accruing during the period July 1. 1984, to December 31, 1984, the rate shall be 14.213 percent. For each subsequent six-month period, the Export-Import Bank of the United States shall notify Madagascar of the appropriate rate prior to the beginning of such six-month period.

(c) All Interest payable with respect to the Consolidated Debt shall be paid semi-annually on March 31 and September 30 of each year, commencing on September 30, 1984.

(d) A table summarizing the amounts of the Consolidated Debt owed to United States Government Agencies is attached hereto as Annex B.

2. (a) Madagascar agrees to repay the Non-consolidated Debt, which amounts to approximately $49,868, on December 31, 1984.

(b) The rates of Interest on Non-consolidated Debt shall be the same as the rates specified in Article III, Paragraph 1(b) of this Agreement.

(c) Interest with respect to the Non-consolidated Debt shall be paid in semi-annual installments on March 31 and September 30 of each year commencing on September 30, 1984.

(d) A table summarizing the amounts of Non-Consolidated Debt owed to United States Government Agencies is attached hereto as Annex C.

3. It is understood that adjustments may be made, as necessary, in the amounts of Consolidated and Non-consolidated Debt.

ARTICLE IV

General Provisions

1. Madagascar agrees to grant the United States treatment and terms no less favorable than that which may be accorded to any other creditor country or its agencies for the rescheduling or refinancing of debts covered by the Minute.

2. Except as they may be modified by the Agreement or the subsequent Implementing Agreement, all terms of the Contracts remain in full force and effect.

3. Madagascar agrees to pay all debt service due and not paid, which is owed to or guaranteed by the United States Government or its Agencies, but which is not covered by this Agreement as soon as possible, and in any case not later than July 31, 1984.

ARTICLE V

Entry into Force

1. This agreement shall enter into force following signature of the Agreement and receipt by Madagascar of written notice from the United States Government that all necessary domestic legal requirements for entry into force of the Agreement have been fulfilled.[1]

Done at Washington, D.C., in duplicate in the English this 28th day of September, 1984.

FOR THE UNITED STATES OF AMERICA

Lauralee Peters
Office of Monetary Affairs
Department of State

FOR THE DEMOCRATIC REPUBLIC OF MADAGASCAR

Richard Randriamaholy
Governor, Central Bank
Madagascar

[1] Nov. 19, 1984.

Annex A

Loans to be Rescheduled

Loan Numbers

Agency for International Development

687-H-001

001A

002A

W-005

Export-Import Bank

one supplier credit

FG 6463 (to be rescheduled by separate agreement)

Annex B

Summary of Consolidated Debt

(in U.S. dollars)

AID	284,839
EXIM	662,653
Total	947,492

Annex C

Summary of Non-Consolidated Debt

(in U.S. dollars)

AID	14,992
EXIM	34,876
Total	49,868